

SECRET

29 March 1968

MEMORANDUM FOR: Director of Strategic Research

SUBJECT : Request for Support on Project on Chinese
Industrial Production Index

1. The China Division of OER has started work on a thorough re-examination of production series for major industrial commodities in Communist China, 1957-67. The work will result in a modification and extension of our present industrial production index. Military production must be included in the index if it is to give a clear picture of the trend in Chinese industrial production.

2. In asking your support for this project, I recognize that data on military output are fragmentary and that heroic assumptions will be required in making these estimates. I would hope you could supply production series for major military items, 1957-67, together with unit prices in both rubles and dollars. The problem of converting to yuan prices could be handled by consultation among our people.

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3. If you are willing to support us, I suggest your representative get together with [redacted] Chief, D/C [redacted]. I hope this project can be completed within three months, preferably sooner.

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[redacted]
EDWARD L. ALLEN
Director
Economic Research

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GROUP 1
Excluded from automatic
downgrading and
declassification